

Appendices

Appendix I

Illustrative Learning Story: Armenia Earthquake Recovery Zone Program

In December 1988, a devastating earthquake in Armenia claimed over 25,000 lives and left 500,000 homeless. Dissolution of the Soviet Union three years later not only delayed full recovery, but also left the country with a crumbling infrastructure as well as the ongoing humanitarian crisis from the earthquake.

In response, USAID partnered with a group of foundations and organizations - including the All Armenia Fund, the Huntsman Foundation, the Lincy Foundation, the Norwegian Refugee Council, the United Nations Development Program, and the Urban Institute, among others - in a series of collaborations called the Earthquake Zone Recovery Program. This broad alliance among donors, governments, and foundations was intended to stimulate regional recovery by developing the housing market, promoting democratic reform, and encouraging private investment.

The alliance can be said to have begun when the Urban Institute (UI), a non-profit non-partisan research institute, finished the blueprint of a housing strategy for Armenia in 1998 at the request of the World Bank. At the same time, the Urban Institute asked USAID to send a 'construction expert' to the country. By securing an expert in the field, UI hoped to convince other donors such as the Lincy Foundation, an organization active in Armenian development, to join the developing project. The foundation had already committed \$15 million for new home construction, but as a direct result of dealings with Urban Institute, the foundation contributed another \$30 million.

To accommodate its large homeless population of thousands of families, the newly independent Armenian government had provided *domics*, temporary metal shelters that lacked running water and sewage lines. Under the Earthquake Zone Recovery Plan, families still living in *domics* are issued housing certificates that enable them to buy pre-existing homes at market prices, or participate in a home improvement program aimed at completing unfinished houses and helping NGOs plan for future redevelopment.

As the key implementing partner, Urban Institute was expected to maximize collaboration with other organizations, a challenge they embraced. By 2002, it became clear the activities of the EQZRP - involving several stakeholder entities spanning the public and private sector - accurately reflected the model of development espoused by the Global Development Alliance, instituted in 2001 to capitalize on the growing influence and reach of resources outside the public domain.

First Steps

The EQZRP grew out of work done by the Urban Institute for the World Bank ("A New Housing Strategy For Armenia") and the USAID Gyumri Housing Certificate Pilot Program of 2000—2001. It was tendered through an RFP in 2001. NOTE: Finding an operative partner in the beginning is a key element for success.

After the contract was awarded, the Urban Institute initiated EQZ bi-monthly meetings to enhance alliance resource member coordination through a formal venue for communication. The component manager for the Urban Institute, Aram Khachadurian, was the driving force behind this effort. The Urban Institute still manages the donor coordination meeting administrative functions—minutes, scheduling, etc, while USAID now hosts the functions.

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The meetings are open to all interested parties, and new organizations with similar interests are often invited. There are web sites devoted to this program: www.shirak.am and www.urbaninstitute.am

Choice of Partners

The Norwegian Refugee Council was the next party to join the alliance. This organization concentrated on the provision of refugee housing. The Urban Institute and USAID also searched for additional partners working within the EQZ and among diaspora, foreign and international organizations working in housing and urban development. Information was shared mainly in country and with Armenia's large diaspora community. Sharing is done through constant research and attention to expressions of interest.

All parties interested in contributing to the earthquake zone recovery are invited to explore collaboration with the EQZRP. There is no preference given to either for-profit or not-for-profit entities, and the Urban Institute staff has taken advantage of good relations with the Government of Armenia to explore opportunities for collaboration and leveraging within the country. Issues of legality, ethical conduct and political objectives are, however, all potential grounds for refusing collaboration.

There is no set procedure for issuing invitations to potential partners. As Steve Anlian from UI explains, the bi-monthly meetings are ideal for efficient networking, and negotiations often result. If, after discussions, both parties feel that their projects will not be compromised through collaboration and there is potential for increased success, they will work together. If, however, there are conflicts of interest or simply incompatible personalities, it naturally becomes difficult for organizations to successfully collaborate.

The EQZRP alliance is, in general, highly attractive to other potential partners. USAID is an established and reliable partner with significant resources, a reputation strengthened by the record of the Armenia mission. The drawbacks for other organizations in working with USAID lay in the inherent bureaucracy of working with a large government entity and the extensive government regulations that must be followed. These issues do not appear to prevent collaboration, though. The EQZRP has not had difficulty attracting partners such as the Government of Armenia, which contributed \$210,000 to the alliance.

USAID and GDA concept

To ensure that partners understand the GDA concept, USAID/Armenia staff have dealt with each partner on a one-on-one basis and taken the time to painstakingly explain the program's approach. In general, USG regulations can be difficult to comprehend for non-governmental or non-UN organizations (source/origin requirements, competition requirements, etc.). However, if these are clearly explained at the outset, most problems can be avoided. According to Steve Anlian, the EQZRP has encountered only minor issues.

The Process

For this alliance, a parallel funding approach, in which partner resources are held and tracked separately, served as the most appropriate way to fund activities. All donors are invited to participate in the bi-monthly meetings and collaboration, but partners do not pool funds in this alliance. Each member maintains and manages separate funding tracks.

USAID/Armenia's manager for this alliance, Gene Sienkiewicz, noted that "each collaboration is done on its own merits, and through its own mechanism, which in most cases is an agreement (sometimes written, but simple, e.g. with UNHCR, other times verbal) to implement each organization's projects in a complementary way. As an example, the Norwegian Refugee Council might agree to locate its new refugee housing on land that

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is being cleared of temporary shelters (*domics*) through the USAID EQZRP, but with no written agreement or exchange of funds. This would benefit the USAID program because the cleared land would then be promptly put to a positive and attractive use, thus demonstrating recovery." Much of the success in these collaborations is predicated on trust and regular communication among the donor community, which the GDA business model seeks to engender.

Sienkiewicz continued: "USAID's implementer, the Urban Institute, and the partner organizations jointly manage collaborations. USAID's role is manager of the contract (acquisition instrument) with the Urban Institute, and AID is regularly informed of UI's progress. In the case of formal written agreements such as with UNHCR, the letter of understanding is between USAID and UNHCR.

"The length of the collaboration is based on the activity. Once the projects are completed, the collaboration is effectively done. In the case of UNHCR, the letter of agreement was for the duration of the EQZRP. After an initial collaboration in the city of Gyumri, an additional collaboration in the city of Vanadzor was decided upon, which was then done under the same letter of agreement."

Asked for advice for other alliance builders, Gene Sienkiewicz concluded: "Always be clear and frank at the outset, focus on the objective, and recognize that not all collaborations will work."

Conclusions/ Lessons Learned

- **Effective Implementers** Seek out an operative implementing partner in the field.
- **Be Realistic** Try to be realistic in expectations; be frank and clear with your partners and stay focused -- building alliances takes time.
- **Bumps Along the Road** Be prepared for an alliance to hit stumbling blocks or even fall apart.
- **Uniqueness.** Steve Anlian from UI remarked: "one should always look for the benefit of a collaboration and focus on things each partner can do best. USAID's certificate program was unique. Using these Housing Certificates has made this alliance successful for all."
- **Capitalizing on Diaspora Resources.** GDA has the potential to be a multiplier of diaspora resources-- which has worked well for Armenia and could work wherever diaspora populations exist.
- **Be Flexible.** Do not 'over-structure' an alliance; leave it with the potential to develop on its own. The EQZRP became so important for Armenia and all of the contributing partners because of its potential to develop and include even small partners with different objectives (For instance, Jinishian Memorial Foundation contributed \$30,000 for a heating system in completed houses.) Only a coordinated effort made the alliance successful and allowed each partner to contribute more than they would have otherwise.

Information for this alliance learning story was provided Gene Sienkiewicz, USAID/Armenia and Steve Anlian, Urban Institute, Armenia.